

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 040731  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /036 R

DRAFTED BY EB/OA:MHSTYLES:VLV  
APPROVED BY EB/OA:MSTYLES  
EUR/WE - EJBEIGEL  
CAB - JRCHESEN

-----034800 161325Z /46  
R 160127Z FEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PARIS

LIMITED OFFICIAL USE STATE 040731

E.O. 11652: N/A

TAGS: EAIR, FR

SUBJECT: CIVAIR - MINIMUM PRICES FOR CHARTER FLIGHTS

1. NACA HAS BROUGHT TO OUR ATTENTION ITS BELIEF THAT FRENCH POLICY ON MINIMUM CHARTER PRICES THREATENS SERIOUSLY TO INTERFERE WITH US-FRANCE CHARTER FLIGHTS THIS YEAR. SPECIFIC CASE INVOLVES AN ABC/ITC PROGRAM OF JACKSON TRAVEL AGENCY TO BE OPERATED BY WORLD AIRWAYS FROM MARCH 17 TO OCTOBER 17. FRENCH HAVE TOLD WORLD AIRWAYS THAT CHARTER PRICES FOR THESE FLIGHTS IN PEAK SEASON (JULY 6-SEPTEMBER 16) ARE BELOW REFERENCE PRICES IN CIRCULAR 77 OF SEPTEMBER 23, 1977 AND ARE THEREFORE REJECTED.

2. US IS STRONGLY OPPOSED TO IMPOSITION BY FOREIGN GOVERNMENTS OF MINIMUM RATES FOR US ORIGIN CHARTER TRAFFIC. WHILE FRENCH (AND OTHERS)DO NOT AGREE AND HAVE ESTABLISHED REFERENCE PRICES FOR SEVERAL YEARS, THEY HAVE HERETOFORE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 040731

IMPLEMENTED THEIR PRICE REGULATIONS IN A FLEXIBLE MANNER. THEIR ACTION REGARDING WORLD AIRWAYS PROGRAM AND THE TIGHTENING UP OF FRENCH CHARTER POLICY REPORTED IN PARIS 3986 INDICATE THAT FRENCH MAY HAVE DECIDED TO ADOPT A CLEARLY RESTRICTIONIST POLICY ON CHARTER FLIGHTS.

3. EMBASSY REQUESTED TO RAISE MATTER OF CHARTER PRICES

WITH FRENCH AUTHORITIES WITH VIEW TO OBTAINING REVERSAL OF FRENCH MINIMUM PRICE POLICY AND, AT SAME TIME, TO TEST OVERALL CURRENT FRENCH ATTITUDES ON CHARTER FLIGHTS. FOLLOWING POINTS COULD BE MADE:

A. AS GOF KNOWS, US BELIEVES ONLY COUNTRY OF ORIGIN OF CHARTER TRAFFIC SHOULD CONTROL CHARTER PRICES. WE REALIZE HOWEVER THAT, IN ABSENCE AGREEMENT, FRENCH ARE FREE TO ADOPT PRICE CONTROL, EVEN OF US ORIGIN TRAFFIC.

B. IN PAST, IT APPEARS FRENCH ;AVE APPLIED THEIR MINIMUM PRICES IN A FLEXIBLE MANNER SO THAT THERE WAS NO SERIOUS DISRUPTION OF NORMAL MARKETING.

C. HOWEVER, THE RECENT DISAPPROVAL OF WORLD AIRWAYS PROGRAM APPEARS TO SIGNAL A CHANGE OF POLICY WHICH, IF CONFIRMED, COULD SIGNIFICANTLY REDUCE US-FRANCE AIR TRAFFIC. AIRLINES CANNOT EFFECTIVELY SELL CHARTERS IN US AT THE ARBITRARY PRICES ESTABLISHED BY FRENCH WHICH BEAR NO RELATIONSHIP TO COMMERCIAL REALITIES OF US MARKET. IN END, TRAFFIC WHICH MIGHT FLY TO FRANCE WILL INSTEAD BE ORGANIZED BY CHARTERERS FOR OTHER DESTINATIONS. VANCE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRICES, SUPPLEMENTAL AIRLINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE040731  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MHSTYLES:VLV  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780071-0833  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780246/aaaabmtt.tel  
**Line Count:** 85  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** bf7047d5-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3570895  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - MINIMUM PRICES FOR CHARTER FLIGHTS  
**TAGS:** EAIR, FR  
**To:** PARIS  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/bf7047d5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014